



LEGISLATIVE UPDATE

August 14, 2015

For the first time this year, there is talk of a final budget within the next couple of weeks as House and Senate leadership worked to agree on a common spending cap for the state's budget. It appears that a number has been reached or will be forthcoming as Appropriations Committee Chairs are expected to work on the budget over the weekend. This is definite progress as Chairs will be able to confer on line item spending measures with a set final number in mind. House Speaker Tim Moore indicated Thursday that the goal is to pass a compromise budget by August 31 (when the new Continuing Resolution expires), if not sooner. Legislators are markedly aware of the start date for the conventional school year, Monday, August 24, now only ten days away.

For educators and other leaders concerned about finalizing the state's education budget, now is the time to contact legislators and leadership on what should be the top education funding priorities over the biennium. Find your legislators' contact information [here](#).

On Wednesday, the Governor signed into law the new Continuing Resolution (CR) [SB 560](#) – 2015 Continuing Budget Authority (SL 2015-214), which incorporates and amends the old CR (SL 2015-133). Both CRs contain the following education highlights:

- Funds to cover student population growth for LEAs and charters (\$100,236,542).
- Beginning teachers at steps 0-4 will be paid 3,500 per month, up from \$3,300.
- Guarantees that no teacher or administrator will be paid less in 2015-16 than they were in 2014-15.
- Does not provide specific funding for driver education. Current law requires that all LEAs offer driver education courses in high schools and charge participants a fee of up to \$65 and/or utilize other State or local funds to do so.

Relevant Bills on the Floor This Week:

[HB 13](#) Amend School Health Assessment Requirement

On Wednesday, both the House and Senate adopted a conference [report](#) for HB 13; it is now on the Governor's desk. As previously reported, the bill would require all students entering the public school system, irrespective of grade, to provide proof of having received a health assessment via a "health assessment transmittal form." The ratified bill makes substantive changes to the DHHS statutes (G.S. 130A-440 and 441) requiring this student health assessment.

[HB 394](#) Increase Options for Local Option Sales Tax

On Thursday, the House passed an amended HB 394; it will now go to the Senate. As amended, this bill would now authorize Ashe, Columbus, Franklin, Hoke, Nash, Robeson, Richmond, Rutherford, Scotland, and Watauga Counties to also have a referendum on levying an additional local sales and use tax at the rate of 1/4%, to be used only for school construction or renovation, purchase of land or facilities for schools, and/or to pay indebtedness incurred by the county for school property.

[HB 482](#) Employee Misclassification Reform

On Thursday, the House approved an amended HB 482; it will now go to the Senate. As reported in previous Updates, this encompasses significant employment law changes. The bill would add a new Article under Chapter 143 of the state statutes to: (1) provide requirements for properly classifying a worker as an employee versus an independent contractor; (2) set new penalties for misclassifying a worker as an independent contractor to avoid workers compensation insurance, tax laws, or other legal requirements; and (3) establish a new “Employee Classification Division” within the Department of Revenue to receive/investigate reports of misclassification and assess civil penalties, among other new duties. The House amended the bill on Wednesday to include two new factors (for a total of ten) that would need to be considered when classifying an individual as an independent contractor or an employee.

Relevant Bills in Committee This Week:

[HB 805](#) Measurability Assessments

On Thursday, the House Committee on Regulatory Reform amended and approved HB 805; it now goes to House Appropriations. The bill would provide a framework and guidelines for “measurability assessments” of existing or proposed state programs. A measurability assessment is an independent evaluation that would be commissioned by the General Assembly to determine if a state program is or will be capable of reporting performance and return on investment.

[HB 813](#) Results First Framework

On Thursday, the House Committee on Regulatory Reform amended and approved HB 813; it now goes to House Appropriations. The bill would authorize the Office of State Budget and Management (OSBM) to participate in the Pew-MacArthur Results First Initiative to implement a cost-benefit analysis model for crafting public policy and making budget decisions with the goal of investing in policies and programs that have proven effectiveness. It would also require state agencies and non-state entities that receive state funds to maintain a system that provides accessible, timely, uniform, program-level accountability information within a framework to be established by OSBM.

[SB 15](#) Unemployment Insurance Law Changes

On Monday, the House Committee on Finance amended and approved SB 15. The House gave tentative approval to the bill Thursday on 2nd reading, and it is calendared for 3rd reading on Tuesday, August 18, when it will likely pass and return to the Senate for consideration of House changes. This bill provides for various changes (substantive and technical) to the state’s unemployment insurance laws. It combines numerous suggested revisions from the Division of Employment Security (DES) and the Joint Legislative Oversight Committee on Unemployment Insurance. House Finance amended the bill to require recipients of unemployment compensation to make at least five job contacts with potential employers during each week when receiving this benefit (current law requires only two contacts). DES recommended a change to three job contacts per week, and debate on the House floor focused on the difference between three and five.

Other Bills with Action This Week:

[HB 134](#) Soliciting Prostitution/Immunity for Minors

- Signed by the Governor on 8/5 (SL 2015-183)

[HB 334](#) Transfer Office of Charter Schools

- [Conference Committee](#) appointed

[HB 383](#) Clarify Statutory Scheme/Sex Offenses

- Signed by the Governor on 8/5 (SL 2015-181)

[HB 556](#) Achieving a Better Life Experience Act

- Signed by the Governor on Tuesday (SL 2015-203)

[HB 562](#) Amend Firearm Laws

- Signed by the Governor on 8/5 (SL 2015-195)

[HB 584](#) Use of Position/Letters of Reference

- Signed by the Governor on Tuesday (SL 2015-208)

[HB 792](#) Privacy/Protection From Revenge Postings

- House voted not to concur with Senate changes
- [Conference Committee](#) appointed

[HB 943](#) Connect NC Bond Act of 2015

- Passed House previously and now referred to Senate Committee on Ways & Means

[SB 330](#) Change Orders on School Construction Projects

- Withdrawn from House Committee on Regulatory Reform
- Re-referred to House Committee on Local Government

[SB 400](#) School Access for Boy Scouts/Girl Scouts

- Withdrawn from House Committee on Education/K-12
- Re-referred to House Committee on Rules

[SB 561](#) Career and College Ready Graduates

- Withdrawn from House Committee on Rules
- Re-referred to House Committee on Education – Community Colleges

[SB 607](#) Taxpayer Protection Act (*formerly* “Taxpayer Bill of Rights” (TABOR))

- Amended and passed by the Senate on Wednesday

Meetings Next Week (August 17-21):

Tuesday, August 18: 8:30 a.m. House Committee on Education – Community Colleges

- [SB 561](#) Career and College Ready Graduates

Contact Information:

Rachel E. Beaulieu

Department of Public Instruction

Legislative & Community Relations Director

919-807-4035

Rachel.Beaulieu@dpi.nc.gov

Zane B. Stilwell, II

State Board of Education

Legislative Relations & Policy

919-807-4068

Zane.Stilwell@dpi.nc.gov

Anne Murtha

Legislative Assistant

919-807-3403

Anne.Murtha@dpi.nc.gov